

Market Recap

For the third consecutive session, the benchmark indices Sensex and Nifty remained subdued throughout the day. However, the only difference today from yesterday's session was that bias was extremely positive. After a gap up opening, the index Nifty spot failed to clear the 8300 mark and remained in a range of 30 odd points for full day to close with a gain of 52 points. Meanwhile, we witnessed strong buying activity in the individual stock and as a result yet again the market breadth remained strongly in the favour of advancing counters. Meanwhile, the BANK NIFTY remained a bit shaky on the back of result from Indusindbank which will further depicts the result trend for other private banks.

Among BSE sectoral indices, metal index gained the most by 1.2 per cent, followed by auto 1.01 per cent, power 0.9 per cent and oil & gas 0.85 per cent, while only realty index was down 0.3 per cent. On the stock front, Hikal jumped more than 11% after the company said that US Food and Drug Administration has issued zero observations after completion of inspection at its manufacturing facility located at Jigani, Bangalore. On the other hand, Hindustan Construction Company surged 4 – 5% extending yesterday's rise triggered by the company winning a Rs 368.60 crore contract from IRCON International.

Today Nifty reclaimed 200 Days SMA and closed above it. Nevertheless unable to surpass the intermediate hurdle of 8310 levels (coinciding 100 days EMA as well as 38.2% retracement) level. Even if Nifty manages to surpass 8310 level, still next resistance is placed around 8330 (falling trend line) followed 8375 (regression line). On the flipside, 8260 and 8220 would act as support for the market.

However Nifty Bank index continues to outperform the benchmark index NIFTY. Now Nifty Bank index can find intraday resistance around 18500 – 18535 zone. Once it breaches 18535 level then it can retest swing high of 18740 levels. Whereas, cluster of 200 DMA and short term moving average would act as intermediate hurdle placed around 18240- 18190 levels.

Key Market Data Points

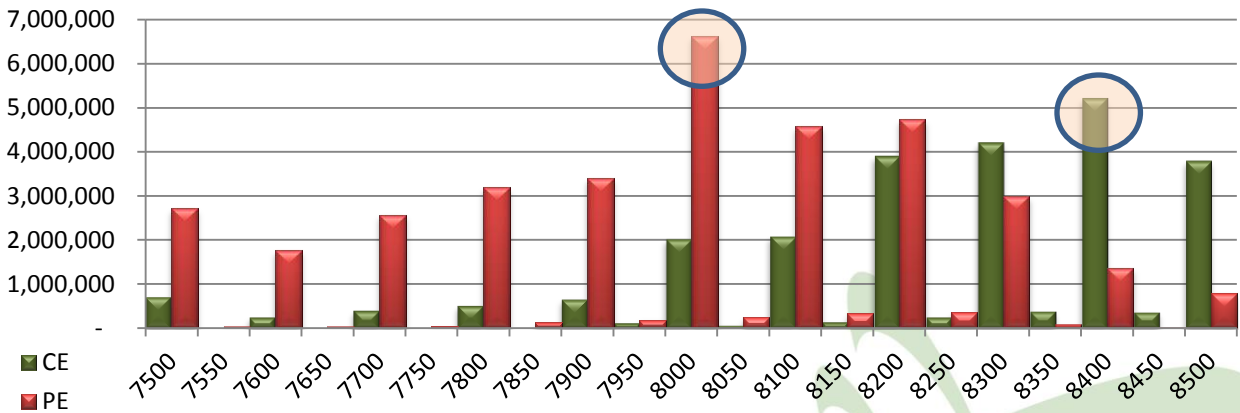
Name	High	Low	Range	Close	Prev. Close
Sensex	26915	26804	111	26900	26727
Nifty Spot	8294	8261	33	8289	8236
Nifty Future	8299	8260	39	8294	8250
VIX	15.48	14.03	1	15.20	15.48

NIFTY Trend Tracker

Time Frame	View	Actionable	Higher range	Lower range
1-5 days	Neutral	Trading in a range of 8220 – 8310	8310 - 8330 / 8370	8260 / 8220 / 8170
1-4 Weeks	Bullish	Above 8310	8370 / 8460	8110 / 7965
1-3 Months	Bearish	Sell on rise	8600	7800 / 7630



NIFTY OPTION OPEN INTEREST



- For the JAN 2017 series, the Call PUT concentration has now shifted at 8400 strike Call with 52.07 lakh shares in OI and on the Put side concentration is at 8000 strike with 66.20 lakh shares in OI.
- There was hardly any major addition on the CE side except some 77k units were added to 8400 CE, whereas on the PE front there was significant addition again in 8100 - 8300 PE to the tune of 5.42 lacs.
- We witnessed some unwinding in the CE options at the strike of 8200. On the PE front, there was heavy unwinding of 6.75 lac in strikes like 7900, 7500, 7600 and 8800.

Stocks In Action

Stock	View	CMP	TGT	Rationale
DREDGECORP	Bullish	449	550	<ul style="list-style-type: none"> The stock has been consistently resisting at 89 – Month EMA placed near 370 levels since two and a half years. Right now, the stock is on the verge of a range breakout on monthly chart with extraordinary volumes. On the lower degree charts, the consolidation of couple of years resembles a bullish 'Inverse Head & Shoulder' pattern which will get confirmed above 470. We advise MP traders to go long in the stock in the range of 450 - 440 for the upside target of 550 - 600. On the downside, the stop loss should be placed below 410.

Conclusion

The FII's have been moderating their selling spree on the equity market. And remain buyer in the F&O segment. Nifty has been trading in a 8220 – 8310 zone. Even derivative data suggest that above 8300 index can head towards 8400 levels. Thus we suggest readers to buy 8300 CE and sell 8400 CE once Nifty sustains above 8300 levels. so the approx. cost for this trade would be around 40 points. Follows 20 points stop loss for target of 50 points.

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